



HALL COUNTY AIRPORT AUTHORITY | MINUTES
Regular Meeting | February 25, 2013

The Regular Meeting of the Hall County Airport Authority (HCAA) Board was held at the Airport Authority Conference Room, 3743 Sky Park Road, Grand Island, Nebraska 68801 on February 25, 2013. Pursuant to proper legal notice, Board Chair Werner called the meeting to order at 12:05 p.m. and announced location of the Nebraska Open Meeting Act for public viewing.

PLEDGE OF ALLEGIANCE. The Pledge of Allegiance was said in unison.

AIRPORT AUTHORITY BOARD MEMBERS PRESENT: Chair Lynne Werner, Vice-Chair Larry Hobbs, Secretary/Treasurer Brian Quandt, and Joe Cook.

AIRPORT AUTHORITY BOARD MEMBER(S) ABSENT: Ken Caldwell.

AIRPORT AUTHORITY STAFF PRESENT: Executive Director Mike Olson, Human Resource/Accounting Manager Annette Schimmer, Operations Manager/Security Coordinator Doug Brown, Administrative Assistant Debra Potratz.

LEGAL COUNSEL PRESENT: Airport Authority Attorney Ron Depue.

OTHERS PRESENT: Gary Frisch from Midwest Air Traffic Control, Zach Thompson from Trego/Dugan Aviation of Grand Island, Tracy Overstreet from Grand Island Independent.

PUBLIC REQUEST TO SPEAK ON AGENDA: None.

REVIEW AND APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:

- Minutes from Regular Meeting on January 9, 2013.
- **RESOLUTION NO. 13-07: REAPPROVING CLAIM NO. 2880 a&b DUE TO AMOUNTS CHANGED, AND APPROVING PAYMENT OF CLAIMS NO. 2881-2887.**
- **RESOLUTION NO. 13-08: REIMBURSEMENT RESOLUTION FOR EXPENDITURES RELATED TO GENERAL AVIATION FBO TERMINAL DESIGN AND CONTRACT ADMINISTRATION PROJECT.**
- **RESOLUTION NO 13-09: REIMBURSEMENT RESOLUTION FOR EXPENDITURES RELATED TO BUILDING 113A (LIFETEAM).**

Motion by Mr.Quandt, second by Mr. Hobbs to approve the Consent Agenda. Upon roll call, motion was approved with a 4-0 vote.

FINANCIAL REPORTS FOR DECEMBER 2012: Ms. Schimmer presented the Financial Report.

- Operating Income and Operating Expenses should be at 33.33%
 - Operating Income is at 31.39% | \$104,371.91 | YTD \$330,350.69
 - Operating Expenses is at 26.10% | \$116,270.33 | YTD \$375,725.28
 - Total Operating Income/Loss is at 11.72% | (\$11,898.42) | YTD (\$45,374.59)
 - Total Net Income/Loss is at 2.63% | \$52,737.88 | YTD (\$141,947.62)
- Past Dues Report (Aging over 30 days) | \$6,503.16 remaining as of 2/6/13. Ms. Schimmer reported on the current status of Progressive Engineer. Case went to court and the Judge requested both attorneys' do a statement of events.

- 56 • Covered Parking: 38 transactions with a net revenue of \$1,345.21
- 57 .
- 58 • Fuel Flowage - Trego/Dugan Aviation of Grand Island:
- 59 Jet A & 100LL ▪ 96,800.00 gallons delivered | YTD 457,483.00
- 60 Fuel Flowage ▪ \$5,324.00 fuel flowage received | YTD \$25,161.57
- 61 Diesel ▪ 800.00 gallons delivered | YTD 2,000.00
- 62 Unleaded ▪ 468.30 gallons delivered | YTD 968.40
- 63 Fuel Flowage ▪ \$69.76 fuel flowage received | YTD \$163.26
- 64

65 **ACTIVITY REPORT:**

66 **Traffic Activity for January 2013:** Tower Manager Gary Frisch presented the Air Traffic Operations
 67 report. Mr. Frisch reported the Grand Island is one of the 100 towers to close due to the sequestration.

CNRA AIR TRAFFIC OPERATIONS January 2013

Itinerant Operations	Jan 2012	Jan 2013	% Change
Air Carrier	36	34	(6)
Air Taxi	221	287	30
Civil Aviation	599	622	4
Military	143	139	(3)
Total OPS	999	1082	8
Local Operations			
Civil	230	406	77
Military	288	144	(50)
Total LCL	518	550	6
TOTAL TRF	1517	1632	8

68
 69 **Operations Manager's Report for Jan/Feb 2013:** Operations Manager/Security Coordinator Doug
 70 Brown presented the operations/maintenance report.

- 71 • Provided Aircraft Rescue and Fire Fighting (ARFF)/Direct Ramp Observation (DRO) for Allegiant
 72 flights and ARFF for American Eagle daily flights. The schedule reflects added flights and
 73 parking will become an issue.
- 74 • Conducted weekly Safety/Security and ARFF training.
- 75 • Continue with general repairs to Bldg 101A (Terminal). Painting of the Interior has been
 76 completed.
- 77 • Construction almost completed with Phase II (back half) on the Bldg 113A (LifeTeam) remodel
 78 project.
- 79 • Repaired bifold door on Bldg 113B (Trego/Dugan).
- 80 • Provided snow/ice removal for commercial flights during blizzard.
- 81 • Preparing for installation of an overhead door on west side of Bldg 700B (Arrow Stage Lines).
- 82 • Numerous other daily projects and repairs completed and scheduled.
- 83

84 **Enplanements for January 2013:**

	2013	2013	2012	
	Jan	Load Factor %	Jan	+/- %
Allegiant	2,191	88	2,500	-12
American	1,958	80	2,014	-3
Charters	102		0	102
Monthly Emp	4,251		4,514	-6

85
 86 **Construction & Planning Update:**

87 Construction almost completed with Phase II (back half) on the Bldg 113A (LifeTeam) remodel project.
88 At the end of March, LifeTeam will have a ribbon cutting and open house. They will also be hosting a
89 Business After Hours social event.
90

91 The Federal Aviation Administration has issued a Finding of No Significant Impact/Record of Decision
92 (FONSI/ROD) for the improvements identified at the Central Nebraska Regional Airport, Grand Island,
93 Nebraska for the 17/35 Runway Extension Project.
94

95 The Advertisement for Bids for the General Aviation Terminal will be published February 28th and
96 approval of bid will be placed on April's agenda. Authority Attorney Ron Depue would like Mead & Hunt
97 to provide the Authority with a fair rental value of the GA Terminal building in order to determine lease
98 rent before a FBO lease contract goes out.
99

100 The final drawing for the parking lot will be submitted to the City of Grand Island this week.
101

102 The rollover entitlement grants for the terminal will be issued early this summer. Mead & Hunt will present
103 the design contract for the terminal in April and will submit the scope and fee for the T-Hangers in March.
104

105 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 13-10: LEASE EXTENSION AGREEMENT**
106 **WITH BUSCO, INC., DBA ARROW STAGE LINES.**
107

108 Motion by Mr. Quandt, seconded by Mr. Hobbs authorizing the Executive Director to execute Lease
109 Extension Agreement with BUSCO, Inc., DBA Arrow Stage Lines for Building 700B located at 1982 Metro
110 Street, Grand Island, NE. Lease Agreement shall be extended for a period of (3) three years effective
111 May 1, 2013 and terminating April 30, 2016. Rent is \$1,529.55/mo. plus \$84.90 for insurance.
112

113 Authority will construct a new garage door on the west side of the building. Tenant agrees to reimburse
114 Authority for its agreed share of the construction cost in the amount of \$2,600.00 which will be paid as
115 additional rent over the extended term at the rate of \$72.22/mo. Tenant shall pay entire remaining
116 balance of the construction reimbursement if Lease Agreement is terminated prior to expiration of the
117 extended term or no later than the effective termination date of lease. Upon roll call, motion was
118 approved with a 4-0 vote.
119

120 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 13-11: REQUEST FROM ALOHA**
121 **INVESTMENTS, LLC, DBA AFTERNOONER'S TO HOST 2013 CAR SHOWS.**
122

123 Motion by Mr. Cook, second by Mr. Quandt authorizing the Executive Director to approve request from
124 Aloha Investments, LLC, DBA Afternooners to host 2013 Car Shows on May 22nd and August 21st.
125

126 Authority agrees to pay for two (2) advertisements per show with cost not to exceed \$220/show, and
127 purchase Dash Plaques for participants with cost not to exceed \$150. For both events, Afternooners will
128 secure sponsors to furnish trophies, and offer a dinner special from 5-8 pm. Upon roll call, motion was
129 approved with a 4-0 vote.
130

131 **EXECUTIVE DIRECTOR'S REPORT:** Mr. Olson gave an airline industry update. On February 14th the
132 board of directors for US Airways and American Airlines approved an \$11 billion dollar merger. The new
133 airline will be called American Airlines and will be headquartered in Fort Worth, Texas. This merger
134 created the world's largest airline.
135

136 US Airways Chief Executive Officer Doug Parker will serve as CEO of the merged airline, with American
137 CEO Tom Horton serving a limited tenure as chairman. The plan must be approved by American's
138 bankruptcy court, US Airways shareholders and federal regulatory agencies.
139

140 It is unknown what effect this merger may have on the Central Nebraska Regional Airport. The carriers
141 expect to complete the merger in the third quarter of this year.
142

143 Mr. Olson reported the Dreamliner 787 fleet has been grounded for the past five weeks after batteries
144 burned on two planes in January. Boeing is due to meet with the head of the U.S. Federal Aviation
145 Administration on Friday to present measures designed to prevent such failures. It is uncertain about
146 when the plane will be able to resume service.

147
148 The Request for Proposal for Commercial Air Service to Florida is due March 6th.

149
150 Mr. Olson thanked staff and Afternooners for hosting the annual the Soup Supper open house that was
151 held January 22nd. There were over 300 in attendance.

152
153 Mr. Olson talked about the potential effects the sequestration would have on the airport. The control
154 tower at the Central Nebraska Regional Airport is part of the federally funded contract tower program. It
155 is vitally essential to keep the control tower open and federally funded. Without our control tower, we are
156 at risk in losing the air service the Central Nebraska businesses have come to rely on. Plus we would
157 lose the significant safety benefits the air traffic control tower provides. He stated it costs about \$360,000
158 a year to operate the Air Traffic Control Tower. The federal government pays 80% of the tower costs -
159 \$288,000, while the Airport Authority contributes the remaining 20% - \$72,000. The threat of
160 sequestration comes at a time of growth for the airport as a record of 56,000 boarding's was reached last
161 year.

162
163 Board Member Quandt stated there hasn't been a major airline accident for a long time and now the
164 federal government is trying to save money on the past safety record. Authority Attorney Ron Depue
165 stated these cutbacks are all part of politics, which is being played ahead of safety and that we are the
166 victims of politics.

167
168 Mr. Olson stated we need to hold the president of the United States and the congressional delegation
169 accountable for their actions, or in this case, their inactions. Mr. Olson will contact the congressional
170 delegates to express his concern regarding the sequestration and the effects it would have on our airport.

171
172 Mr. Olson read his prepared statement regarding the sequestration.

173
174 Airport Attorney Ron Depue reported two weeks ago he testified in front revenue committee for the state
175 legislature regarding Governor Heinemann's proposed repeal on exemption of aviation jet fuel. This is the
176 fourth time this has come up in the 20 years Mr. Depue has been representing the airport. The last time
177 this came up in 2009, Mr. Depue wrote a letter to the Federal Aviation Administration Council in
178 Washington, DC. He received a letter stating that if the sales tax proceeds from aviation fuel are used for
179 operating funds of the state or related entities, it would be classified as revenue diversion. As a result,
180 every airport in the State of Nebraska would be ineligible to receive any federal grants. Not receiving the
181 85-90%% federal match would be detrimental to our terminal and runway projects. The revenue
182 committee was very receptive to Mr. Depues' request and subsequently, Governor Heinemann asked the
183 LB405 be pulled. Mr. Depue is hopeful this will not come up again and reiterated that you cannot use
184 taxation of aviation fuel for general operating purposes.

185
186 **ANNOUNCEMENTS:**

- 187 a) Next Board Meeting – March 13, 2013
188 b) Strategic Planning Session - April 18, 2013 from 8 am- 4pm at HyVee. Andy Platz from
189 Mead & Hunt is slated to attend.

190
191 **EXECUTIVE SESSION:**

192 Motion by Mr. Cook, second by Mr. Quandt to go into Executive Session to discuss lease and airline
193 negotiations. Upon roll call, motion was approved with a vote of 4-0 and Board went into Executive
194 Session at 12:52 p.m.

195
196 Motion by Mr. Cook, second by Quandt to come out of Executive Session with no decisions being made
197 and reconvene to Regular Session. Upon roll call, motion was approved with a vote of 4-0 and Board
198 came out of Executive Session and into Regular Session at 1;15 p.m.

199

200 **ADJOURNMENT:**
201 Motion by Mr. Hobbs, second by Mr. Quandt to adjourn the meeting. Upon roll call, motion was approved
202 with a vote of 4-0 and meeting was adjourned at 1:17 p.m.
203

204 HALL COUNTY AIRPORT AUTHORITY
205

206
207 _____
208 Debra Potratz | Administrative Assistant
209

210
211 _____
212 Lynne Werner | Board Chair
213

Brian Quant | Board Secretary/Treasurer

214
215 **(SIGNATURES ON FILE)**
216

217